

**LAFAYETTE ECONOMIC  
DEVELOPMENT AUTHORITY  
LAFAYETTE, LOUISIANA**

**Financial Report**

**Year Ended December 31, 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/22/09

# LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

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## INDEPENDENT AUDITOR'S REPORT

Chairman of the Board  
and Members of the Board of Commissioners  
Lafayette Economic Development Authority  
Parish of Lafayette, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major funds of the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana, as of and for the year ended December 31, 2008, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Lafayette Economic Development Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major funds of the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana, as of December 31, 2008, and respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 5, 2009, on our consideration of the Lafayette Economic Development Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and is important for assessing the results of our audit.

The management's discussion and analysis on pages 3 through 8, and budgetary comparison information on page 28 and 29, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements as the Lafayette Economic Development Authority. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, LLC  
Certified Public Accountants

June 5, 2009

## Management's Discussion and Analysis

As management of the Lafayette Economic Development Authority, we offer readers of the Lafayette Economic Development Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2008.

### Financial Highlights

- The assets of the Lafayette Economic Development Authority exceeded its liabilities at the close of the fiscal year ended December 31, 2008 by \$35,856,234 (*net assets*). Of this amount, \$6,724,919 (*unrestricted net assets*) may be used to meet the Authority's ongoing obligations to creditors.
- The Authority's total net assets increased by \$668,052. This increase is substantially attributed to an increase in Receivables net of Allowance for Uncollectibles of \$136,190, an increase in Inventory of Land held for Resale of \$111,256, a decrease in Current Liabilities of \$470,516, and a decrease in Noncurrent Liabilities of \$107,634.
- As of the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$9,675,132, an increase of \$587,313 in comparison with the prior year.
- At the end of the current fiscal year, *unreserved fund balance* for the general fund was \$4,268,257. This amount is available for future general government expenditures.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Lafayette Economic Development Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: 1) *Government-wide Financial Statements*, 2) *Fund Financial Statements*, and 3) *Notes to the Financial Statements*. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** *The Government-wide Financial Statements* are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

*The Statement of Net Assets* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in *net assets* may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's *net assets* changed during the most recent fiscal year. All changes in *net assets* are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the *Government-wide Financial Statements* distinguish functions of the Lafayette Economic Development Authority that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through charges (*business-type activities*). The *governmental activities* of the Authority include general government expenses incurred in the Authority's mission of facilitating economic growth in Lafayette parish, the sale of land in the four industrial parks owned by the Authority, and the interest portion of the Authority's semi-annual payments on outstanding Taxable Certificates of Indebtedness. The Authority had no *business-type activities* to report.

The *Government-wide Financial Statements* can be found on pages 9 and 10 of this report. The *Governmental Fund Financial Statements* can be found on pages 11, 12, and 13 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Lafayette Economic Development Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority can be divided into two categories: *governmental funds* and *fiduciary funds*.

*Governmental funds.* *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the *Government-wide Financial Statements*. However, unlike the *Government-wide Financial Statements*, *Governmental Fund Financial Statements* focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of *governmental funds* is narrower than that of the *Government-wide Financial Statements*, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the *Government-wide Financial Statements*. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the *Governmental Funds Balance Sheet* and the *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances* provided a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Authority maintains five individual *governmental funds*. Information is presented separately in the *Governmental Fund Balance Sheet* and in the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* for the general fund, the capital projects (Business/Park Expansion or Attraction) fund, the capital projects (Building Maintenance) fund, the capital projects (LITE) fund, and the special revenue (Entrepreneurship, Technology and Innovation) fund. All of the governmental funds are considered by the Authority to be major funds.

The Lafayette Economic Development Authority adopts an annual budget for its general fund. A budgetary comparative statement has been provided for the general fund to demonstrate compliance with this budget.

*Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the *Government-wide Financial Statement* because the resources of those funds are not available to support the Authority's own programs.

The basic *Fiduciary Fund Financial Statements* can be found on pages 14 and 15 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the *Government-wide* and *Fund Financial Statements*. The notes to the financial statements can be found on pages 16 through 27 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Lafayette Economic Development Authority, assets exceeded liabilities by \$35,856,234 at the close of the most recent fiscal year.

The largest portion of the Authority's net assets (74 percent) reflects its capital assets net of depreciation. The Lafayette Economic Development Authority and the Louisiana Economic Development Department entered into a Cooperative Endeavor Agreement in 2003 to construct the Louisiana Immersive Technologies Enterprise (LITE) formerly known as the Acadiana Technology Immersion Center (ATIC). Construction and furniture, fixtures and equipment costs as of December 31, 2008 were \$25,547,911.56. The LITE is a state-of-the-art resource center encompassing the world's first six-sided, digital virtual reality cube as well as the world's largest digital 3-D auditorium. Previous access to this type of technology and resources was only feasible for industry giants. Industry, government, and university sectors will have access to essential decision-making tools for collaborative research, application development, testing and validation, and product development.

#### Lafayette Economic Development Authority Net Assets

	<u>Government Activities</u>	
	<u>2008</u>	<u>2007</u>
Current and other assets	\$7,437,691	\$7,437,150
Noncurrent assets	29,001,315	28,911,954
<b>Total assets</b>	<b>36,439,006</b>	<b>36,349,104</b>
Long-term liabilities outstanding	409,218	516,852
Other liabilities	173,554	644,070
<b>Total liabilities</b>	<b>582,772</b>	<b>1,160,922</b>
<b>Net assets:</b>		
Invested in capital assets	26,700,320	26,722,215
Restricted for inventory of land for resale	2,300,995	2,189,739
Restricted for debt service	130,000	130,000
Unrestricted	6,724,919	6,146,228
<b>Total net assets</b>	<b>\$35,856,234</b>	<b>\$35,188,182</b>

At the end of the current fiscal year, the Authority is able to report a positive balance in net assets. The same is true for the prior fiscal year.

**Governmental Activities.** Governmental activities increased the Authority's net assets by \$668,052. Key elements of this increase are as follows:

Lafayette Economic Development Authority  
Changes in Net Assets

	<u>Government Activities</u>	
	<u>2008</u>	<u>2007</u>
<b>Revenues:</b>		
Program Revenues:		
Sale of land	\$ -	\$ 1,648,710
General Government	392,278	20,417
General Revenues:		
Ad valorem taxes	2,351,189	2,204,753
Intergovernmental	95,054	1,296,573
Unrestricted investment earnings	193,244	226,044
Miscellaneous	135,797	465,919
Total revenues	3,167,562	5,862,416
<b>Expenses:</b>		
General government	2,469,122	2,292,075
Cost of land sold		1,120,532
Interest on long-term debt	30,388	35,888
Total expenses	2,499,510	3,448,495
Increase (Decrease) in net assets	668,052	2,413,921
Net assets – beginning	35,188,182	32,774,261
Net assets - ending	\$35,856,234	\$ 35,188,182

- Ad valorem taxes increased by \$146,436 due to an increase in the taxable property valuation in 2008 by the Lafayette Parish Assessor.
- General Government revenues increased by \$371,861 mostly attributable to the recognition of deferred revenue recognized in 2008 that was received from LED for a grant in which LEDA was the grant administrator.

**Financial Analysis of Government's Funds**

As noted earlier, the Lafayette Economic Development Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Authority's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.



As of the end of the current fiscal year, the Lafayette Economic Development Authority's *Governmental Funds* reported combined ending fund balances of \$9,675,132, an increase of \$587,313 in comparison with the prior year.

Over two-thirds of the amount, \$7,374,137, constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is already committed.

The general fund is the chief operating fund of the Lafayette Economic Development Authority. At the end of the current fiscal year, unreserved fund balance of the general fund was \$4,268,257. As a measure of the general funds liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Both unreserved fund balance and total fund balance represent over 150 percent of total general fund expenditures.

The fund balance of the Lafayette Economic Development Authority's general fund increased by \$308,618 during the current fiscal year. Key factors for the net increase are as follows:

- An increase in the ad valorem taxes of \$146,436 due to the increase in taxable property valuations
- General government expenditures in the general fund were approximately \$179,965 less than budgeted

#### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget can be summarized as follows:

- \$25,000 increase in Taxes Revenues
- \$50,802 increase in Intergovernmental Revenue
- \$37,000 increase in Miscellaneous Revenue
- \$39,498 decrease in General Government Expenditures
- \$52,300 decrease in Interest Earned
- \$27,500 increase in Transfers In
- \$127,500 increase in Transfers Out

#### **Capital Asset and Debt Administration**

**Capital Assets.** The Lafayette Economic Development Authority's investment in capital assets for its governmental activities as of December 31, 2008 amounts to \$26,700,320 (net of accumulated depreciation). This investment in capital assets includes a building, a second building that was completed in early 2008, manufacturing equipment, improvements, equipment, and furniture and fixtures. The total decrease in the Authority's investment in capital assets (net of accumulated depreciation) for the current fiscal year was \$21,895.

Major capital asset events during the current fiscal year included the following:

- Increase in construction costs on the Louisiana Immersive Technologies Enterprise (LITE) totaling \$52,376.93 for the year ended December 31, 2008.

Additional information on the Lafayette Economic Development Authority's capital assets can be found in Note 1 on page 18 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the Authority had outstanding Taxable Certificates of Indebtedness in the amount of \$500,000 of which \$390,000 is classified as long-term debt. The entire amount is secured by and payable solely from a dedication and pledge of the revenues to be derived from the levy of the ad valorem taxes authorized to be levied.

The Authority's total liabilities decreased by \$578,150 during the current fiscal year. The key factors in this decrease were a decrease in Accounts Payable of \$103,198; a decrease in Deferred Revenue of \$285,802; and a decrease in outstanding Taxable Certificates of Indebtedness of \$110,000.

Additional information on the Authority's long-term debt can be found in footnote 7 on pages 25 of this report.

#### **Economic Factors and Next Year's Budget**

- The unemployment rate for the Lafayette Parish in October 2008 was 3.6 percent, which is a increase from a rate of 2.1 percent a year ago. This compares favorably to the state's average unemployment rate for the month of October 2008 of 5.3 percent and the national average rate for October 2008 of 6.1 percent.
- Inflationary trends in the region compare favorably to national indices.

These factors were considered in preparing the Lafayette Economic Development Authority's budget for the 2008 fiscal year.

#### **Requests for Information**

This financial report is designed to provide a general overview of the Lafayette Economic Development Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Gregg Gothreaux, President and CEO, Lafayette Economic Development Authority, 211 East Devalcourt Street, Lafayette, Louisiana, 70506.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT WIDE FINANCIAL STATEMENTS (GWFS)**

**LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**

**STATEMENT OF NET ASSETS  
DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 5,452,692	\$ 5,497,689
Restricted cash	130,000	130,000
Other receivables	16,696	9,027
Prepaid expenses	12,893	8,876
Due from State of Louisiana	1,140	103,478
Receivables - taxes (net of allowance for uncollectibles)	<u>1,824,270</u>	<u>1,688,080</u>
Total current assets	<u>7,437,691</u>	<u>7,437,150</u>
Noncurrent assets:		
Inventory of land held for resale	2,300,995	2,189,739
Capital assets, net of accumulated depreciation	<u>26,700,320</u>	<u>26,722,215</u>
Total noncurrent assets	<u>29,001,315</u>	<u>28,911,954</u>
Total assets	<u>\$ 36,439,006</u>	<u>\$ 36,349,104</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 18,945	\$ 122,143
Retainage payable	-	9,819
Other accrued liabilities	44,609	121,306
Deferred revenue	-	285,802
Current portion of bonds payable	<u>110,000</u>	<u>105,000</u>
Total current liabilities	<u>173,554</u>	<u>644,070</u>
Noncurrent liabilities:		
Bonds payable	390,000	500,000
Compensated absences	<u>19,218</u>	<u>16,852</u>
Total noncurrent liabilities	<u>409,218</u>	<u>516,852</u>
Total liabilities	<u>\$ 582,772</u>	<u>\$ 1,160,922</u>
<b>NET ASSETS</b>		
Invested in capital assets	\$ 26,700,320	\$ 26,722,215
Restricted		
Inventory of land for resale	2,300,995	2,189,739
Cash restricted for debt service	130,000	130,000
Unrestricted	<u>6,724,919</u>	<u>6,146,228</u>
Total net assets	<u>\$ 35,856,234</u>	<u>\$ 35,188,182</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements

# LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2008

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Government Activities:</b>				
General government	\$ 2,469,122	\$ 25,000	\$ 314,901	\$ 52,377
Cost of land sold and asset disposals	-	-	-	-
Interest on long-term debt	30,388	-	-	(30,388)
Total governmental activities	\$ 2,499,510	\$ 25,000	\$ 314,901	\$ 52,377
General revenues:				
Ad valorem taxes				2,351,189
State revenue sharing				95,054
Unrestricted investment earnings				193,244
Miscellaneous				135,797
Total general revenues				2,775,284
Change in net assets				668,052
Net assets-beginning				35,188,182
Net assets-ending				\$ 35,856,234

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

## **FUND FINANCIAL STATEMENTS**

**LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2008**

	General	Capital Project (Business/Park Expansion or Attraction)	Capital Projects (Building Maintenance)	Capital Projects (LITE Fund)	Special Revenue (Entrepreneurship, Technology and Innovation Fund)	Total Governmental Funds
<b>ASSETS</b>						
Cash	\$ 2,341,648	\$ 2,920,817	\$ 130,222	\$ -	\$ 60,005	\$ 5,452,692
Restricted cash	130,000	-	-	-	-	130,000
Other receivables	16,696	-	-	-	-	16,696
Prepaid expenses	12,893	-	-	-	-	12,893
Due from State of Louisiana	1,140	-	-	-	-	1,140
Receivables - taxes (net of allowance for uncollectibles)	1,824,270	-	-	-	-	1,824,270
Inventory of land held for resale	-	2,300,995	-	-	-	2,300,995
Total assets	<u>\$ 4,326,647</u>	<u>\$ 5,221,812</u>	<u>\$ 130,222</u>	<u>\$ -</u>	<u>\$ 60,005</u>	<u>\$ 9,738,686</u>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 13,781	\$ 5,164	\$ -	\$ -	-	\$ 18,945
Retainage payable	-	-	-	-	-	-
Other accrued liabilities	44,609	-	-	-	-	44,609
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>58,390</u>	<u>5,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,554</u>
<b>Fund balances:</b>						
<b>Reserved for:</b>						
Inventory of land held-for-resale	-	2,300,995	-	-	-	2,300,995
Prepaid expenditures	12,893	-	-	-	-	12,893
<b>Unreserved, reported in:</b>						
General fund	4,255,364	-	-	-	-	4,255,364
Special revenue fund	-	-	-	-	60,005	60,005
Capital projects funds	-	2,915,653	130,222	-	-	3,045,875
Total fund balances	<u>4,268,257</u>	<u>5,216,648</u>	<u>130,222</u>	<u>-</u>	<u>60,005</u>	<u>9,675,132</u>
Total liabilities and fund equity	<u>\$ 4,326,647</u>	<u>\$ 5,221,812</u>	<u>\$ 130,222</u>	<u>\$ -</u>	<u>\$ 60,005</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

26,700,320

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds

(519,218)

Net assets of governmental activities

\$ 35,856,234

The Accompanying Notes are an Integral Part of the Basic Financial Statements.



**LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2008**

	General	Capital Project (Business/Park Expansion or Attraction)	Capital Projects (Building Maintenance)	Capital Projects (LITE Fund)	Special Revenue (Entrepreneurship, Technology and Innovation Fund)	Total Governmental Funds
<b>Revenues:</b>						
Taxes - ad valorem	\$ 2,351,189	\$ -	\$ -	\$ -	\$ -	\$ 2,351,189
Intergovernmental	434,955	-	-	52,377	-	487,332
Sale of land	-	-	-	-	-	-
Miscellaneous	238,846	83,301	3,590	965	2,340	329,042
Total revenues	<u>3,024,990</u>	<u>83,301</u>	<u>3,590</u>	<u>53,342</u>	<u>2,340</u>	<u>3,167,563</u>
<b>Expenditures:</b>						
Current:						
General government	2,269,837	11,357	-	-	70,044	2,351,238
Capital outlay	41,247	-	-	52,377	-	93,624
Cost of land sold	-	-	-	-	-	-
Debt service	135,388	-	-	-	-	135,388
Total expenditures	<u>2,446,472</u>	<u>11,357</u>	<u>-</u>	<u>52,377</u>	<u>70,044</u>	<u>2,580,250</u>
Excess of revenues over expenditures	<u>578,518</u>	<u>71,944</u>	<u>3,590</u>	<u>965</u>	<u>(67,704)</u>	<u>587,313</u>
<b>Other financing sources (uses):</b>						
Transfers in	27,709	160,000	10,000	-	127,609	325,318
Transfers out	(297,609)	-	-	(27,709)	-	(325,318)
Total other financing sources (uses)	<u>(269,900)</u>	<u>160,000</u>	<u>10,000</u>	<u>(27,709)</u>	<u>127,609</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	308,618	231,944	13,590	(26,744)	59,905	587,313
Fund balances, beginning	<u>3,959,639</u>	<u>4,984,704</u>	<u>116,632</u>	<u>26,744</u>	<u>100</u>	<u>9,087,819</u>
Fund balances, ending	<u>\$ 4,268,257</u>	<u>\$ 5,216,648</u>	<u>\$ 130,222</u>	<u>\$ -</u>	<u>\$ 60,005</u>	<u>\$ 9,675,132</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

Net change in fund balances-total governmental funds	\$ 587,313
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	(21,895)
Some expense reported in the Statement of Activities, such as compensated absences and retirement plan, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(2,366)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>105,000</u>
<i>Changes in net assets of governmental activities</i>	<u>\$ 668,052</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**

**STATEMENT OF FIDUCIARY NET ASSETS  
DECEMBER 31, 2008**

<b>ASSETS</b>	
Cash	\$ 15,479
Investments	<u>6,799,921</u>
Total assets	<u>\$ 6,815,400</u>
<b>LIABILITIES</b>	
Amounts due bondholders and lessees	<u>\$ 6,815,400</u>
<b>NET ASSETS</b>	
Held in trust for payments to bondholders and lessees	<u>\$ 6,815,400</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**ADDITIONS**

**Contributions:**

Lease payments received	\$ 2,409,000
Other additions	<u>29,253,000</u>
Total contributions	<u>31,662,000</u>

**Investment earnings:**

Interest	<u>272,258</u>
Total investment earnings	<u>272,258</u>

Total additions	<u>31,934,258</u>
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**DEDUCTIONS**

Bonds paid and redeemed	700,000
Bond interest paid	1,709,000
Requisitions paid	22,093,854
Other deductions	<u>617,388</u>

Total deductions	<u>25,120,242</u>
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Change in net assets	6,814,016
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Net assets - beginning	<u>1,384</u>
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Net assets - ending	<u>\$ 6,815,400</u>
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The Accompanying Notes are an Integral Part of the Basic Financial Statements.

## LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

### Notes to Financial Statements December 31, 2008

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lafayette Economic Development Authority (Authority) is a political subdivision of the State of Louisiana created under Louisiana Revised Statute 34:291-34:302. It was originally formed under the name of Lafayette Harbor, Terminal, and Industrial Development District. The Authority is governed by a board of commissioners consisting of twelve appointed members. The Authority is authorized to construct or acquire industrial parks and industrial plant buildings, including sites and other necessary property and appurtenances, and to acquire, construct, improve, operate, maintain, and provide improvement and services necessary. It is also authorized to sell, lease, or otherwise dispose of, by suitable and appropriate contract, to any enterprise locating or existing within the parish, all or any part of an industrial plant site, industrial plant building, or other property owned by the Authority.

The accounting and reporting policies of the Authority conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513, as well as any applicable requirements set forth by Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; and the Louisiana Governmental Audit Guide.

#### Financial Reporting Entity

This report includes all funds, account groups, and component units, which are controlled by or dependent on the Lafayette Economic Development Authority. Control by or dependence on the Authority was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, or other general oversight responsibility. At December 31, 2008, there were no entities that met the criteria to be considered a component unit of the Authority.

The following is a summary of certain significant accounting policies:

#### Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the non-fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include proceeds received from the sale of land inventory. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

## LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

### Notes to Financial Statements December 31, 2008

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Government-Wide and Fund Financial Statements (continued)

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. All individual governmental funds are reported as separate columns in the fund financial statements.

##### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. For this purpose, the government considers revenues to be *available* if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Ad valorem taxes are recognized as revenues in the year in which such taxes are levied and billed to taxpayers. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, and interest on investments.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *special revenue fund* is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for a specific purpose.

## LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

### Notes to Financial Statements December 31, 2008

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The *capital projects fund* accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Additionally, the government reports the following fund types:

*Agency Funds* are used to account for assets held by banks in a trustee capacity for the Authority. These funds are used to account for lease and related receipts from lessees as well as bond, interest, and related payments made to bondholders for industrial development revenue bonds issued by the Authority.

Amounts reported as program revenues include proceeds from the sale of land inventory. General revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

##### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$250 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Donated assets are immaterial.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	39
Building improvements	10
Office equipment	5-7
Computer equipment	3-5

## LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

### Notes to Financial Statements December 31, 2008

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Inventory of Land Held-for-Resale

The inventory of land held-for-resale is valued at cost. The cost is recorded as an expenditure at the time the land is sold. The inventory of land held for resale at year-end is equally offset by a fund balance reserve to indicate that it does not constitute "available expendable resources," even though it is a component of net current assets.

##### Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

The ad valorem tax receivable is shown net of an allowance for uncollectibles. The ad valorem tax receivable allowance is equal to 3.50% of levied ad valorem taxes at December 31, 2008.

##### Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

##### Vacation, Sick Leave, and Pension Plan

Vacation varies with longevity as follows:

<u>Serving Time</u>	<u>Vacation</u>
After six months up to two years	One week
From two years to seven years	Two weeks
After seven years	Three weeks

No more than thirty days of allowed vacation time may be accrued and be carried over into the next calendar year and paid upon termination. Vacation pay is accrued when incurred in the government-wide financial statements.

Sick leave accrues at the rate of ½ day per month beginning after 3 months of service with a 30-day maximum per year. Sick leave is available for carryover. Upon termination, either voluntary or involuntary, all accrued sick time will be forfeited. Sick leave is not recorded in these financial statements except for \$6,679, which is included in the balance of \$19,218. This amount is attributable to one employee who is grandfathered under an old sick leave policy.



## LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

### Notes to Financial Statements December 31, 2008

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Vacation, Sick Leave, and Pension Plan (continued)

For the years beginning January 1, 2004, LEDA employees are eligible participants of the Parochial Employees' Retirement System; a cost-sharing multiple-employer defined benefit pension plan administered by a separate board of trustees. This retirement system provides retirement, disability, and death benefits to plan members and their beneficiaries. The plans funding policy requires employees to contribute 9.5% of covered salary. While for the years ended December 31, 2008 and 2007, the employer contribution rate was 12.75% and 13.25%. For the years ended December 31, 2008 and 2007, total salary subject to the Parochial Employees' Retirement System was \$781,828 and \$699,701 and LEDA's contributions were \$99,683 and \$92,710, respectively.

The Parochial Employees' Retirement System issues an annual publicly available financial report and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, 5420 Corporate Boulevard Suite 103, P.O. Box 14619, Baton Rouge, LA 70808 or by calling (225) 928-1361.

##### Post-Employment Benefits

LEDA does not offer any of these types of benefits to employees and therefore has no liability in relation to the implementation of the new statement.

##### Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

##### Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except the capital projects funds. The budget is formally adopted by the Authority, prior to the beginning of the fiscal year. Notices of its completion and availability are published. After its adoption, any adjustments to the budget must follow the same process. All annual appropriations lapse at year-end.

# LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

## Notes to Financial Statements December 31, 2008

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Restricted Cash

Restricted cash represents amounts to be set aside annually in the sinking fund as required by the Certificates of Indebtedness, for repayment of the bond principal and interest.

#### Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid expenses.

#### Transfers

Permanent reallocation of resources between funds of the Authority are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

### NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

#### Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net assets*. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$519,218 difference are as follows:

Bonds payable	\$ 500,000
Compensated absences	<u>19,218</u>
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net assets- governmental activities</i>	<u>\$ 519,218</u>

## LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

### Notes to Financial Statements December 31, 2008

#### NOTE 3 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances-total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$21,895 difference are as follows:

Depreciation expense and abandonments	\$ (115,579)
Capital outlay	<u>93,624</u>
Net adjustment to increase <i>net changes in Fund balances-total governmental funds</i>	
To arrive at <i>changes in net assets of governmental Activities</i>	<u>\$ (21,895)</u>

Another element of that reconciliation states that "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." These details of the \$105,000 difference are as follows:

Principal repayments General Obligation debt	<u>\$ 105,000</u>
Net adjustment to increase <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 105,000</u>

#### NOTE 4 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the Authority may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Authority may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2008 and 2007, the Authority has cash and interest-bearing deposits (book balances) totaling \$5,582,692 and \$5,627,689, respectively.

## LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

### Notes to Financial Statements December 31, 2008

#### NOTE 4 CASH AND INTEREST-BEARING DEPOSITS-CONTINUED

##### *Custodial Credit Risk Relating to Deposits*

Custodial credit risk is the risk that, in the event of bank failure, the Authority's deposits might not be recovered. The Authority does not have a policy for custodial credit risk, however, under state law, these deposits, (or the resulting bank balances), must be secured by federal deposit insurance or the pledge of securities owned by the fiscal bank.

The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at December 31, 2008 and 2007, are as follows:

	<u>2008</u>	<u>2007</u>
Bank Balances	<u>\$ 5,947,783</u>	<u>\$ 5,657,881</u>

At December 31, 2008 and 2007, the deposits are secured as follows:

	<u>2008</u>	<u>2007</u>
Federal Deposit Insurance	\$ 250,000	\$ 200,000
Pledged Securities (Category 3)	<u>7,020,117</u>	<u>5,559,231</u>
Total	<u>\$ 7,270,117</u>	<u>\$ 5,759,231</u>

Pledged securities in Category 3 are comprised of uninsured and unregistered investments with securities held by the pledging institution, or by its trust department or agent, but not in the Authority's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds upon demand.

#### NOTE 5 AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Parish Government in June and are actually billed to the taxpayers by the Assessor in October. Billed taxes are due by December 31, becoming delinquent on January 1, of the following year.

# LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

## Notes to Financial Statements December 31, 2008

### NOTE 5 AD VALOREM TAXES-CONTINUED

Ad valorem taxes are budgeted and recorded in the year levied and billed. The taxes are based on assessed values determined by the Tax Assessor of Lafayette Parish and are collected by the Sheriff. The taxes are remitted net of deductions for Assessor's compensation and pension fund contributions.

For the years ended December 31, 2008 and 2007, taxes were levied at the rate of 1.58 mills and 1.92 mills, respectively, for general corporate purposes on property with assessed valuations totaling \$1,836,348,723 and \$1,470,636,507, respectively, less homestead exemptions of \$333,918,537 and \$311,232,977, respectively.

The allowance for uncollectible receivables at December 31, 2008 and 2007 is \$83,076 and \$77,905, respectively.

Net revenues from ad valorem taxes represent 77% and 75% of total general fund revenues, excluding other financing sources, at December 31, 2008 and 2007, respectively.

### NOTE 6 CAPITAL ASSETS

A summary of general fixed assets follows:

	Balance 1/1/2008	Additions	Deletions	Balance 12/31/2008
Capital assets, being depreciated:				
Buildings	\$ 987,327	\$ -	\$ -	\$ 987,327
Equipment and Furniture	658,566	41,247	-	699,813
Manufacturing Equipment	280,695	-	-	280,695
Construction in Progress	25,555,391	52,377	-	25,607,768
Total capital assets	27,481,979	93,624	-	27,575,603
Less: Accumulated depreciation for:				
Buildings	202,528	25,316	-	227,844
Equipment and Furniture	520,478	50,104	-	570,582
Manufacturing Equipment	36,758	40,099	-	76,857
Total accumulated depreciation	759,764	115,519	-	875,283
Total capital assets, being depreciated, net	\$ 26,722,215	\$ (21,895)	\$ -	\$ 26,700,320

# LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

## Notes to Financial Statements

December 31, 2008

### NOTE 7 LONG-TERM DEBT

On April 17, 1997, the State Bond Commission approved the Lafayette Economic Development Authority to incur debt and borrow the amount of \$1,330,000 and to issue Certificates of Indebtedness for the purpose of paying a portion of the cost of acquiring sites for industrial parks, and acquiring, constructing and providing improvements necessary therefore, and to pay the costs incurred in connection with the issuance of the Certificates. The Certificates are dated May 1, 1997 and bear interest at a rate of 7.25% per annum, payable on May 1 and November 1 of each year, commencing November 1, 1997, and maturing on May 1 in each of the years 1998 through 2012. With approval from the State Bond Commission, effective August 1, 2004, the Certificates were amended to bear interest at a rate of 5.5%.

Annual debt service requirements to maturity for the Certificates of Indebtedness, including interest of \$57,750 are as follows:

	Principal	Interest	Total
<u>December 31,</u>			
2009	\$ 110,000	\$ 24,475	\$ 134,475
2010	120,000	18,150	138,150
2011	130,000	11,275	141,275
2012	140,000	3,850	143,850
Total	<u>\$ 500,000</u>	<u>\$ 57,750</u>	<u>\$ 557,750</u>

A summary of changes in general long-term debt follows:

	Balance 1/1/2008	Additions	Deletions	Balance 12/31/2008
Obligation under long-term bonds	\$ 605,000	\$ -	\$ 105,000	\$ 500,000
Compensated Absences	16,852	37,313	34,947	19,218
Total	<u>\$ 621,852</u>	<u>\$ 37,313</u>	<u>\$ 139,947</u>	<u>\$ 519,218</u>

The Authority issues industrial development revenue bonds for the purpose of financing the acquisition of certain industrial facilities, which it leases or sells to qualifying industrial businesses. Such facilities and the revenue derived from their sale or lease are pledged to service the bonds. These bonds do not constitute an indebtedness or pledge of the general credit of the Authority and therefore, are not included in the financial statements. A detailed summary of all industrial development revenue bonds outstanding at December 31, 2008 is shown on page 35.

**LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**

**Notes to Financial Statements  
December 31, 2008**

**NOTE 8 OPERATING TRANSFERS IN/OUT**

	Transfers In	Transfers Out
General Fund	\$ 27,709	\$ 297,609
Special Revenue Fund	170,000	27,709
Capital Projects Fund	127,609	-
	<u>\$ 325,318</u>	<u>\$ 325,318</u>

**NOTE 9 OPERATING LEASE**

On January 1, 1999 the Authority entered into an agreement under a non-cancelable operating lease. The 30-year lease provides for two renewal options at the end of the lease, each for a ten-year period. The agreement calls for an irrevocable transfer of property owned by the Authority, as well as annual payments of \$22,000 per year during the primary term of the lease.

Future minimum lease payments for the lease are as follows:

<u>December 31,</u>	
2009	\$ 22,000
2010	22,000
2011	22,000
2012	22,000
2013	22,000
Thereafter	<u>330,000</u>
	<u>\$ 440,000</u>

## **LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**

### **Notes to Financial Statements December 31, 2008**

#### **NOTE 10 AGREEMENT WITH CINGULAR WIRELESS LLC**

During 2002, LEDA entered an agreement with Cingular Wireless LLC, whereby LEDA issued revenue Bonds in an amount agreed to by LEDA and Cingular for an amount up to \$10,000,000 and to expend the proceeds to finance the acquisition, construction, and installation of a facility (the Project) for Cingular to house a customer support center in Lafayette, Louisiana.

Upon delivery of the Bonds and receipt of the proceeds, LEDA acquired the Project from Cingular and subsequently leased the Project to Cingular. Cingular's obligation is to make payments under the agreement sufficient to enable the payment of the principal and interest on the Bonds as well as paying agent fees, trustees' fees, and all other costs and charges in connection with the servicing of the Bonds. The Bonds shall not constitute an indebtedness or pledge of the general credit of LEDA. Accordingly, neither the asset nor the related Bonds are recorded on LEDA's books.

#### **NOTE 11 COMMITMENTS**

During the current year, the Organization entered into an agreement with Davinci Quest, LLC to provide services to LEDA. Under the terms of the agreement, payments are due in three installments for a total of \$100,000. The first two installments totaling \$70,000 have been paid as of December 31, 2008. The third installment in the amount of \$30,000 is due on February 1, 2009.

#### **NOTE 12 LITIGATION**

There was no litigation pending against the Authority as of December 31, 2008.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS  
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Taxes	\$ 2,180,000	\$ 2,205,000	\$ 2,351,189	\$ 146,189
Intergovernmental	403,500	454,302	434,955	(19,347)
Miscellaneous	<u>100,000</u>	<u>137,000</u>	<u>135,797</u>	<u>(1,203)</u>
Total revenues	<u>2,683,500</u>	<u>2,796,302</u>	<u>2,921,941</u>	<u>125,639</u>
<b>Expenditures:</b>				
Current:				
General government	2,489,300	2,449,802	2,269,837	179,965
Capital outlay	43,000	43,000	41,247	1,753
Debt service	<u>135,500</u>	<u>135,500</u>	<u>135,388</u>	<u>112</u>
Total expenditures	<u>2,667,800</u>	<u>2,628,302</u>	<u>2,446,472</u>	<u>181,830</u>
Excess of revenues over expenditures	15,700	168,000	475,469	307,469
<b>Other financing sources (uses):</b>				
Interest earned	154,300	102,000	103,049	1,049
Operating transfers in	-	27,500	27,709	209
Operating transfers out	<u>(170,000)</u>	<u>(297,500)</u>	<u>(297,609)</u>	<u>(109)</u>
Excess of revenues over expenditures and other uses	-	-	308,618	307,360
Fund balance, beginning	<u>3,959,639</u>	<u>3,959,639</u>	<u>3,959,639</u>	<u>-</u>
Fund balance, ending	<u>\$ 3,959,639</u>	<u>\$ 3,959,639</u>	<u>\$ 4,268,257</u>	<u>\$ 307,360</u>

**LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS  
BUDGET (GAAP BASIS) AND ACTUAL - SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Variances with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Actual Amounts</u>	
<b>Revenues:</b>			
Miscellaneous	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	100,000	70,044	29,956
<b>Total expenditures</b>	<u>100,000</u>	<u>70,044</u>	<u>29,956</u>
Excess of revenues over expenditures	(100,000)	(70,044)	29,956
<b>Other financing sources (uses):</b>			
Interest earned	2,000	2,340	340
Operating transfers in	<u>127,400</u>	<u>127,609</u>	<u>209</u>
Excess of revenues over expenditures and other uses	29,400	59,905	29,956
<b>Fund balance, beginning</b>	<u>100</u>	<u>100</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 29,500</u>	<u>\$ 60,005</u>	<u>\$ 29,956</u>

**INTERNAL CONTROL, COMPLIANCE  
AND  
OTHER INFORMATION**

# WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

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## Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of the Basic Financial Statements Performed in Accordance with *Government Auditing Standards*

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\* A PROFESSIONAL CORPORATION

JOE D. HUTCHINSON, CPA \* +

M. TROY MOORE, CPA \* +

MICHAEL G. DEHART, CPA, CVA, MBA \* +

+ RETIRED

Chairman of the Board  
and Members of the Board of Commissioners  
Lafayette Economic Development Authority  
Parish of Lafayette, Louisiana

We have audited the basic financial statements of the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana, as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated June 5, 2009, which we expressed an unqualified opinion. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.



### Compliance

As part of obtaining reasonable assurance about whether the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control structure over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

STEPHANIE BLANK, CPA

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TINA B. VIATOR, CPA

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended for the information of the board of commissioners and management, and is not intended to be and should not be used by anyone other than those specific parties.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, LLC  
Certified Public Accountants

June 5, 2009

## **OTHER SUPPLEMENTARY INFORMATION**

## **GENERAL FUND**

The General Fund is used to account for resources traditionally associated with governments, which are not required legally or by sound financial management to be accounted for in another fund.



**LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**

**STATEMENT OF EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	2008			
	Budget	Actual	Variance - Favorable (Unfavorable)	2007 Actual
Current:				
General government:				
Salaries, taxes and benefits	\$ 1,040,000	\$ 992,671	\$ 47,329	\$ 936,617
Existing business retention/expansion	25,350	18,338	7,012	28,120
Professional development	32,675	24,909	7,766	14,277
Business Recruitment	57,800	51,079	6,721	49,705
Louisiana Crossroads Initiative	25,000	25,000	-	24,681
Marketing and advertising	32,410	27,497	4,913	29,087
Office operations	95,000	90,243	4,757	85,171
Industrial property maintenance	16,000	16,007	(7)	11,027
Information services	37,000	18,454	18,546	20,938
Resource Center/Technology	26,900	22,555	4,345	24,378
Trade development	15,000	5,036	9,964	10,578
Small business development	4,600	3,285	1,315	1,465
Workforce Connection Programs	18,550	17,986	564	18,713
Legal notices and audit	12,000	8,719	3,281	8,930
Insurance	13,000	12,946	54	7,079
Louisiana Public Retirement	85,000	84,371	629	79,256
Legal and Professional fees	25,000	22,076	2,924	23,240
Governmental & UL Lafayette liaison	42,000	34,984	7,016	30,967
Contingencies	15,000	866	14,134	323
MIEMAR	265,000	264,359	641	330,979
Acadiana Economic Development Council	30,000	30,000	-	30,000
LITE	402,110	402,107	3	351,218
Special projects	134,407	96,349	38,058	63,603
Capital outlay:				
Equipment and furniture	43,000	41,247	1,753	70,862
Debt service:				
Principal	105,000	95,000	10,000	95,000
Interest	30,500	30,388	112	35,888
Total	<u>\$ 2,628,302</u>	<u>\$ 2,436,472</u>	<u>\$ 191,830</u>	<u>\$ 2,382,102</u>

## **AGENCY FUNDS**

To account for assets held by banks in a trustee capacity for the Authority. These funds are used to account for leases and related receipts from lessees as well as bond principal, interest, and related payments made to the holders of industrial development revenue bonds issued by the Authority.

**LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**

**COMBINING BALANCE SHEETS - AGENCY FUND**

**DECEMBER 31, 2008**

	Holt Company of Louisiana	Cingular Project Series 2001	Tube Alloy Corporation Project Series 2002A and 2002B	University of Louisiana at Lafayette Art Museum	Stirling Properties of Lafayette	Totals
<b>ASSETS</b>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ 15,479	\$ 15,479
Investments	-	-	-	3,229	6,796,692	6,799,921
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,229</b>	<b>\$ 6,812,171</b>	<b>\$ 6,815,400</b>
<b>LIABILITIES</b>						
Amounts due to bondholders and lessees	\$ -	\$ -	\$ -	\$ 3,229	\$ 6,812,171	\$ 6,815,400

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**YEAR ENDED DECEMBER 31, 2008**

<b>ASSETS</b>						
Cash, January 1	\$ 305	\$ -	\$ -	\$ -	\$ -	\$ 305
Investments, January 1	606	-	-	473	-	1,079
	<u>911</u>	<u>-</u>	<u>-</u>	<u>473</u>	<u>-</u>	<u>1,384</u>
<b>Additions:</b>						
Lease payments received	-	1,610,000	-	799,000	-	2,409,000
Other additions	-	-	-	-	29,253,000	29,253,000
Interest/Dividends earned	-	-	-	3,099	269,159	272,258
	<u>-</u>	<u>1,610,000</u>	<u>-</u>	<u>802,099</u>	<u>29,522,159</u>	<u>31,934,258</u>
<b>Deductions:</b>						
Bonds paid and redeemed	-	-	-	700,000	-	700,000
Bond interest paid	-	1,610,000	-	99,000	-	1,709,000
Requisitions Paid	-	-	-	-	22,093,854	22,093,854
Other deductions	<u>911</u>	<u>-</u>	<u>-</u>	<u>343</u>	<u>616,134</u>	<u>617,388</u>
	<u>911</u>	<u>1,610,000</u>	<u>-</u>	<u>799,343</u>	<u>22,709,988</u>	<u>25,120,242</u>
<b>Cash, December 31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,479</b>	<b>15,479</b>
<b>Investments, December 31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,229</b>	<b>6,796,692</b>	<b>6,799,921</b>
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,229</b>	<b>\$ 6,812,171</b>	<b>\$ 6,815,400</b>
<b>LIABILITIES</b>						
Amounts due to bondholders and lessees, January 1	\$ 911	\$ -	\$ -	\$ 473	\$ -	\$ 1,384
<b>Additions</b>	<b>-</b>	<b>1,610,000</b>	<b>-</b>	<b>802,099</b>	<b>29,522,159</b>	<b>31,934,258</b>
<b>Deductions</b>	<b>(911)</b>	<b>(1,610,000)</b>	<b>-</b>	<b>(799,343)</b>	<b>(22,709,988)</b>	<b>(25,120,242)</b>
<b>Amounts due to bondholders and lessees, December 31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,229</b>	<b>\$ 6,812,171</b>	<b>\$ 6,815,400</b>

**LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**

**INDUSTRIAL DEVELOPMENT REVENUE BONDS  
ISSUED AND OUTSTANDING  
DECEMBER 31, 2008**

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding December 31, 2008</u>
University of Louisiana at Lafayette Art Muesum	03/28/02	\$ 8,500,000	\$ 1,500,000
Tube Alloy Corporation Project Series Series 2002A and Series 2002B	12/20/02	2,902,750	-
Cingular Project Series 2001	12/21/01	23,000,000	23,000,000
Gulf Opportunity Zone Revenue Bonds, Series 2008 (Stirling Lafayette, LLC Project)	01/31/08	<u>29,400,000</u>	<u>29,400,000</u>
		<u>\$ 63,802,750</u>	<u>\$ 53,900,000</u>

**LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**  
**Compensation Paid to Members of the Board of Commissioners**  
**December 31, 2008**

The commissioners of the Authority receive no compensation and are only reimbursed for their expenses incurred relating to the Authority's business, which must have appropriate supporting documentation.

**LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**

**Summary of Corrective Action Taken on Prior Year Findings  
December 31, 2008**

There were no prior year findings.

**LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**

**Schedule of Finding and Questioned Costs  
Year Ended December 31, 2008**

**PART 1 SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Auditor's Report

An unqualified opinion has been issued on the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana's financial statements as of and for the year ended December 31, 2008.

Reportable Conditions – Financial Reporting

There were no reportable conditions.

Material Noncompliance – Financial Reporting

There were no material instances of noncompliance.

**FEDERAL AWARDS**

This section is not applicable.

**PART 2 FINDINGS RELATING TO AN AUDIT IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

There were no findings.

**PART 3 FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL PROGRAMS**

This section is not applicable.